

AMENDED IN ASSEMBLY JUNE 2, 2015

AMENDED IN ASSEMBLY MAY 4, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 215**

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**Introduced by Assembly Member Alejo**

February 2, 2015

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An act to amend Section 53260 of the Government Code, relating to employment.

### LEGISLATIVE COUNSEL'S DIGEST

AB 215, as amended, Alejo. Local agency employment contracts: maximum cash settlement.

Existing law requires all employment contracts between an employee and a local agency employer to contain a provision that provides for the amount of a cash settlement that may be paid out if the contract is terminated, as specified. Existing law provides that the maximum settlement that an employee can receive is an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired term of the contract, or, if the unexpired terms of the contract is greater than 18 months, an amount equal to the monthly salary of the employee multiplied by 18.

This bill would provide that in the case of a district superintendent of schools, for contracts of employment ~~negotiated~~ *executed* on or after January 1, 2016, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by ~~12, or, if the employee was terminated for cause, an amount equal to the monthly salary of the employee multiplied by 6.~~ *12*.

Existing law limits the amount of a cash or noncash settlement that a local agency employer may provide its district superintendent of schools to an amount no greater than the superintendent's monthly salary multiplied by zero to 6, if it terminates the superintendent's contract of employment and confirms pursuant to an independent audit that the superintendent engaged in fraud, misappropriation of funds, or other illegal fiscal practices. In this case, existing law requires an administrative law judge, after a hearing, to determine the amount of the cash settlement.

This bill, with regard to a contract for employment ~~negotiated~~ *executed* on or after January 1, 2016, would ~~change the maximum~~ *instead provide that a no* cash or noncash settlement amount ~~that may be paid by a local agency employer to its district superintendent of schools under these provisions to an amount no greater than the superintendent's monthly salary multiplied by zero to 3.~~ *provisions.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 53260 of the Government Code is
- 2 amended to read:
- 3 53260. (a) All contracts of employment between an employee
- 4 and a local agency employer shall include a provision that provides
- 5 that regardless of the term of the contract, if the contract is
- 6 terminated, the maximum cash settlement that an employee may
- 7 receive shall be an amount equal to the monthly salary of the
- 8 employee multiplied by the number of months left on the unexpired
- 9 term of the ~~contract~~, *contract*, with the following exceptions:
- 10 (1) If the unexpired term of the contract is greater than 18
- 11 months, the maximum cash settlement shall be an amount equal
- 12 to the monthly salary of the employee multiplied by 18.
- 13 (2) In the case of a district superintendent of schools, for
- 14 contracts of employment ~~negotiated~~ *executed* on or after January
- 15 1, 2016, the maximum cash settlement shall be an amount equal
- 16 to the monthly salary of the employee multiplied by ~~12, or, if the~~
- 17 ~~employee was terminated for cause, an amount equal to the~~
- 18 ~~monthly salary of the employee multiplied by 6.~~ *12.*
- 19 (b) (1) Notwithstanding subdivision (a), if a local agency
- 20 employer, including an administrator appointed by the

1 Superintendent, terminates its contract of employment with its  
2 district superintendent of schools, that local agency employer shall  
3 not provide a cash or noncash settlement to its superintendent in  
4 ~~an any amount greater than the superintendent's monthly salary~~  
5 ~~multiplied by zero to 3~~ if the local agency employer believes, and  
6 subsequently confirms, pursuant to an independent audit, that the  
7 superintendent has engaged in fraud, misappropriation of funds,  
8 or other illegal fiscal practices. ~~The amount of the cash settlement~~  
9 ~~described in this paragraph shall be determined by an~~  
10 ~~administrative law judge after a hearing.~~

11 (2) This subdivision applies only to a contract for employment  
12 ~~negotiated~~ *executed* on or after January 1, 2016.

13 (c) The cash settlement formulas described in ~~subdivisions (a)~~  
14 ~~and (b)~~ *subdivision (a)* are maximum amounts that may be paid  
15 by a local agency employer to an employee and not a target or  
16 example of the amount of the cash settlement to be paid by a local  
17 agency employer to an employee in all contract termination cases.